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### Organization of a U.S. Marine CORPS Depot of Supplies

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THE GEORGE WASHINGTON UNIVERSITY

SCHOOL OF GOVERNMENT

WASHINGTON, DISTRICT OF COLUMBIA

ORGANIZATION OF A  
U.S. MARINE CORPS  
DEPOT OF SUPPLIES

Seminar in Comptrollership

Business Administration - 265

Prepared by

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## PREFACE

This report has been prepared with the specific objective of presenting, in somewhat summary fashion, pertinent information regarding a very broad field. Most authors refer to this field as "Administrative Management." As will be noted later, the scope of this report is restricted primarily to one major part of this field, namely, that of Organization. It is obvious that no exhaustive treatment of so broad a subject can be given in a report of this type. Volumes have been written and doubtless will continue to be written on the subject because of its dynamic and, at times, changing nature.

The writer wishes to emphasize that the opinions or views expressed herein are his alone, except where due credit is given, and no attempt should be made to give them added weight or sanction because of the fact that he is an officer in the United States Marine Corps. These views do not represent official views of the Marine Corps, nor should any difference with official views as expressed herein be construed as a particular criticism of existing organization of Depots of Supplies in the Marine Corps.

The writer is indebted to the Encyclopaedia Britannica Library Research Service for much valuable information and bibliographical material; and to Lt. Col. A. J. Roose, USMC, Head of the Administrative Branch of the Supply Department, Headquarters, Marine Corps; and to those members of the faculty of George Washington University who conduct the Navy Comptrollership Program in providing thought provoking comment and instruction.

Elbert D. Graves  
Lieutenant Colonel  
U. S. Marine Corps



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## CHAPTER I

### INTRODUCTION

In order to clarify the specific problem with which this report will deal, it is deemed appropriate at the outset to attach meanings to three words or terms which will appear numerous times within this report. These three words are Administration, Management, and Organization. It is common practice, of course, in defining a word to give it an "exact" meaning. However, in this instance an exact meaning is a bit difficult to obtain. Nevertheless, it is believed that definitions with sufficient accuracy for their intended purpose within this report may be obtained without too much difficulty. Even the dictionaries make little distinction between Administration and Management, for example: -

Administration - the act of administering; esp., the administering of public affairs by executive officers; government; also, the officers, collectively, or their period of service....<sup>1</sup>

Administer - to manage (affairs, a government, an estate, etc,); have executive charge of, conduct...<sup>2</sup>

Management - the act or manner of managing; handling; conduct, direction, or guidance; control; judicious use of means to accomplish anything...<sup>3</sup>

Manage - ... in general, to handle, direct, or control in action or use, ... conduct (an affair,

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<sup>1</sup> The New Century Dictionary, (New York and London: D. Appleton - Century Company), Vol. I, (1948) p. 16.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid., p. 1010.



undertaking, or establishment, etc.);....<sup>1</sup>

It is apparent, therefore, that meanings other than in the usual sense attributed to them in the dictionary must be found for these two words. Definitions which do not possess such synonymy and which will fulfill their intended purpose within this report are readily available. Let us examine a few of these.

Administration:

Administration is the guidance, leadership, and control of the efforts of a group of individuals toward some common goal.<sup>2</sup>

Administration is the function in industry concerned in the determination of the corporate policy, the co-ordination of finance, production and distribution, the settlement of the compass of the organization, and the ultimate control of the executive.<sup>3</sup>

Administration is the force which lays down the object for which an organization and its management are to strive and the broad policies under which they are to operate.<sup>4</sup>

... Administration includes management and organization, but more particularly it involves a larger element of objectives, programs, or policies.<sup>5</sup>

<sup>1</sup> Ibid.

<sup>2</sup> Newman, William H., Administrative Action, (New York: Prentice - Hall, Inc., 1952) p. 1.

<sup>3</sup> Sheldon, Oliver, The Philosophy of Management, (Bath, England: Sir Isaac Pitman & Sons, 1923) p. 32.

<sup>4</sup> Lepawsky, Albert, Administration, (New York: Alfred A. Knopf, Inc., 1949) p. 36.

<sup>5</sup> Ibid., p. 37.



There are numerous other definitions having very broad connotative applications to society in general, human relationships, and particularly to the field of public administration. However, it is believed that the above definitions furnish sufficient information to permit an arbitrary statement to the effect that "Administration encompasses all activities of an enterprise." Hence, we see that management and organization must be a part of administration. As I noted in my preface the term "Administrative Management" is frequently used in this all-inclusive sense. I would define such a term as "the art of administering all activities of an enterprise." Administration and Administrative Management, then, are, by my definition, synonymous. How then shall we escape the synonymy of the dictionary definitions of Administration and Management? The attempted escape is presented in the next section.

#### Management:

Management proper is the function in industry concerned in the execution of policy, within the limits set up by Administration, and the employment of the organization for the particular objects set before it.<sup>1</sup>

Management is the force which leads, guides, and directs an organization in the accomplishment of a predetermined object.<sup>2</sup>

Management is the achievement of objectives through the implementation of men and facilities.<sup>3</sup>

<sup>1</sup> Sheldon, op cit.

<sup>2</sup> Lepawsky, op cit.

<sup>3</sup> Emergency Management of the National Economy,  
Industrial College of the Armed Forces, 1950;  
Vol. I, p. 37.



There is almost unanimous agreement by all authors as to what constitutes management. There are some efforts to distinguish between "Top Management," "Middle Management," "Operating Management," and so forth. The distinction is purely one of degree and would in nowise distort a general definition of management as being "the jockey of the business horse."

Also, there is considerable unanimity among writers that the main functions of an enterprise - Administration, Management, and Organization - are closely related. That some overlapping does occur between the three parts is likewise generally agreed upon. However, the above-cited definitions, as do nearly all others, show that management is the "doer" of administration. In other words, after administration has charted the course, management, as navigator, follows the course.

Let us next examine and attempt to define Organization and see if a further refinement of relationships is possible and then briefly summarize these three broad functions.

#### Organization:

Organization is the process of so combining the work which individuals or groups have to perform with the faculties necessary for its execution that the duties, so formed, provide the best channels for the efficient, systematic, positive, and co-ordinated application of the available effort.<sup>1</sup>

Organization is any human association with a common purpose.<sup>2</sup>

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<sup>1</sup>Sheldon, op cit.

<sup>2</sup>Emergency Management of the National Economy,  
op cit., p. 33.



Organization is the means to effective concerted human endeavor.<sup>1</sup>

Organization deals exclusively with individuals and their relations.<sup>2</sup>

An organization is a combination of the necessary human beings, materials, tools, equipment, working space and appurtenances, brought together in systematic and effective correlation, to accomplish some desired object.<sup>3</sup>

Organization deals with the allocation of work among executives and other employees... Organization is also concerned with allotment of responsibility for direction and control, and of course with responsibility for actual operations.<sup>4</sup>

Organization - the act or process of organizing.<sup>5</sup> Where, organize is defined as... in general, to form as or into a whole consisting of interdependent or coordinated parts, esp. for harmonious or united action...; arrange in a systematic whole, or systematize (as, to organize knowledge or facts; to organize work or efforts);....<sup>6</sup>

From a study of the above definitions, it is apparent that the contribution of organization toward an enterprise is a very important one. The example previously cited where administration determined the course and management, as navigator, followed or kept on the course may with profit be used again. What, then, is organization or rather what could organization add to management and administration in that instance? The answer is obviously the ship itself. Or

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<sup>1</sup> Brown, Alvin, Organization of Industry, (New York: Prentice - Hall, Inc., 1947).

<sup>2</sup> Ibid.

<sup>3</sup> Lepawsky, op. cit.

<sup>4</sup> Newman, op. cit., pp 95-96.

<sup>5</sup> New Century Dictionary, op. cit., p. 1193

<sup>6</sup> Ibid.



stating it in slightly different fashion, one could say that organization is the craft in which administration and management embark.

In a confused moment some might say that this is tantamount to organization determining the extent of administration. So, in order that the correlation between these may be more clear and better understood, further clarification in refutation of such thinking is essential. To do this, let us reexamine definitions and also use the example of the ship. By definition we found that administration determines the objective. Assume then in this case that the objective is to make an ocean voyage, non-stop from San Francisco to Japan via the Great Circle Route. In other words, administration has charted the course. Assume further that only three types of craft are available, a canoe, a fifty foot sailing skiff, and a steamship. By definition, we also found that organization was in essence a combination of people and things in the right places and at the right times to accomplish a desired object in the most efficient manner. From the craft availability, which craft do we select to accomplish the desired object? Naturally, we choose the steamship!

I mentioned earlier that there is some overlapping between the three functions and it is entirely possible that organization may have some bearing on what the scope of the objective should be. What factor is the determinant one? In my opinion, realism is the determining factor. Objectives (administration) can not be unlimited where the resources of



men, material, money, and machines (organization) is limited. However, this does not create any great distortion of definitions. For instance, an objective, reasonable of accomplishment, has been determined. There may be different combinations of the limited men, materials, money, and machines which could work toward the objective, but there normally should be only one combination which would satisfy the definition of the right amount in the right place at the right time in the most efficient execution of the objective. Organization and management then are means to an end which has been determined by administration. Oliver Sheldon in his work The Philosophy of Management wrote: "Organization is the formulation of an effective machine; management, of an effective executive; administration, of an effective direction. Administration determines the organization; management uses it. Administration defines the goal; management strives toward it. Organization is the machine of management in its achievement of the ends determined by administration."<sup>1</sup>

#### Mission of a Depot of Supplies:

The mission of a Depot of Supplies is that it is responsible for the procurement, storage, and issue of all classes of supplies of all supply categories except ammunition. It operates overhaul and repair shops equipped to perform field and depot maintenance requirements on all

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<sup>1</sup> Sheldon, op cit.



major items of Marine Corps equipment.<sup>1</sup>

In this report, the administration and management functions or activities of a Depot of Supplies are, in general, assumed and my concern is to determine the organization required to fulfill the mission established by administration. This determination will be depicted at the end of the report by means of an organizational chart or charts. For purposes of reference, Appendix I contains a resume of a "standard" organization of Marine Corps Depots of Supplies as promulgated by the Commandant of the Marine Corps in 1951.

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<sup>1</sup>This definition obtained from the office of the Head, Administrative Branch, Supply Department, United States Marine Corps.



## CHAPTER II

### DEPARTMENTATION

Up to this point, we have been primarily concerned with distinguishing between the three activities or functions of an enterprise. It is appropriate at this point to invite the reader's attention to Appendix I in order that the mission of a Depot of Supplies which is in rather broad terms may be more clear and also to indicate the principle used in the "Branch" or major departmentation within a Depot of Supplies. In the succeeding two chapters we will examine certain additional criteria or principles of organization and apply them in determining an organizational structure within the Branches of a Depot of Supplies.

The alternative methods for dividing the work of a company toward the accomplishment of its objectives are numerous. They include, traditionally, function, product, location, customers, process, equipment, and time. It should be noted that in many companies these various bases of division are combined and coordinated by checks and balances. But there is usually one predominant type of subdivision of the major company activities, made by the chief executive officer himself, called "basic sub-division," "basic delegation," or "departmentation."<sup>1</sup>

The reader will have noted from a study of Appendix I that this major "departmentation" as it applies to a Depot of Supplies has been administratively determined; hence, our concern at this point is merely to note that this

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<sup>1</sup>Dale, Ernest, Planning and Developing the Company Organization Structure, (American Management Association, New York, 1952) Part One, Stage I, p. 25.



departmentation on a functional basis - An Administrative Branch, A Supply Branch, A Services Branch, A Fiscal Branch, etc. - and to understand the purposes of departmentation which are threefold: "(1) to specialize executive ability, (2) to simplify the tasks of management, and (3) to group employees for the purpose of direction and control.... as soon as any phase of management passes beyond the capabilities of a single executive, departmentation becomes imperative. Modern business requires that work be done systematically, efficiently, and methodically. In fact, the whole principle of departmentation rests upon a foundation of expeditious performance."<sup>1</sup>

It may be of assistance to examine at this time the meaning of "function."

In the terminology of management a "function" may be defined as "any task involved in the performance of the activities of an enterprise that can be clearly distinguished from any other task." It denotes an activity, more or less specialized by an individual or group of individuals within the organization.<sup>2</sup>

In departmentation or the grouping of activities there are no "pat" solutions or automatic formulas which may be applied; however, there are a number of basic factors which are present in nearly every organizational problem. Their relative importance may vary from one problem to another, but their presence, even in varying degrees, is sufficient to justify giving them some heed when grouping activities. Let

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<sup>1</sup>Petersen, Elmore and Ploofman, E. Grosvenor, Business Organization and Management, (Richard D. Irwin, Inc., Chicago: 1940) Chapter 3, p. 201.

<sup>2</sup>Ibid., Chapter 3, p. 231.



1.3.5. What is meant by a departmentalization of one "activity" in the management field.

**Newman** lists the key factors in departmentation

1. Take advantage of specialization
2. Facilitate control
3. Aid in coordination
4. Secure adequate attention
5. Recognize local conditions
6. Reduce expense

In discussing and summarizing these factors Newman indicates that specialization includes a greater use of the distinctive abilities of individuals and includes both worker and the executive levels. The more homogeneous such groupings can be, the greater the skill that is likely to be developed. In facilitating control there must be independent checks, i.e., a man should not be expected to render an unfavorable report on his own boss. Also, competitive situations or "clean-break" situations may be used in departmentation to facilitate control, and ease of supervision is another consideration under the factor of facilitating control.

Considerations under the aid in coordination factor are the interrelations of activities, i.e., buying and selling in department stores; the common objective, i.e., pleasing employees or customers; the most-use criterion, i.e., if other factors are equal or if there will be no sacrifice of other benefits, it is logical to assign on basis of most-use as the coordination between this activity and the major department would be greater. The factor in securing adequate attention is that of giving proper recognition to an activity. The more

<sup>1</sup> Newman, ibid., Chapter 3, pp. 132-134.



important the activity is to the enterprise, the higher in the administrative hierarchy is it attached.

The factor of recognizing local conditions covers such considerations as available personnel, informal groups, consolidating several part-time jobs into one or more full-time jobs, etc. It is well to insert a word of caution at this point to the effect that organization should decide the personnel rather than personalities dictate the form of organization. However, this may be unavoidable in small enterprises, and adjustments may have to be made periodically. This will be discussed a little more fully in the chapter on Application of Principles. The factor of reducing expense is important. Simplification of procedures, elimination of duplication, minimal size to accomplish the task, etc. are significant considerations. There is nearly always more than one arrangement possible in departmentation and the more elaborate arrangements should be adopted only if the additional benefits derived very clearly exceed the additional expense.

Dale, another authority, states that in general, the various functions which must be performed to accomplish the objectives of the enterprise should be so assigned as to obtain the greatest possible advantage from the division of labor:

1. Work should be so divided <sup>that</sup> the incumbent of a position should be able to become a specialist and increase his knowledge on the particular job assigned to him.

2. Special abilities should be used to the full.



3. Groups of people (divisions, departments) should comprise a workable, homogeneous and separate field of activity. The nature of their work should be similar or complementary (the former is probably more important in the lower executive ranks, the latter more important in the upper ranks).

Three major criteria may be distinguished for dividing work - economic and non-economic criteria and the size of the company.<sup>1</sup>

Dale lists under economic criteria a group of factors quite similar to those of Newman. In Dale's listing are (1) Major contributions to survival and profitability, i.e. what is the dominant function? This is comparable to Newman's "securing adequate attention." (2) Specialization, almost identical with Newman in regard to this factor. (3) Lines of communication may be shortened, this is comparable to Newman's "Aid in coordination" and "Reducing expense." (4) Duplication may be reduced or abolished, comparable to "Reducing expense" by Newman. (5) Balance may be improved, comparable to Newman's "recognizing local conditions where part-time jobs could be consolidated into full-time jobs, etc. (6) Widening extent of delegated authority, slightly comparable to Newman's "aid in coordination" where interrelations of activities and common objectives are considerations. This factor involves the power of decision-making and utilizes the theory that the people on the spot who are most familiar with the problems can make better and speedier decisions. (7) Uniformity and consistency of policy - this factor is, in my personal opinion, not as

<sup>1</sup>Dale, op cit., pp 34-38



important in division of work or departmentation ~~concern~~ operations as it is under the planning process of administration in determining overall objectives and policies. (8) Control may be improved, almost identical with Newman's "Facilitate control." (9) Grouping by most effective use, same as the most-use criterion under Newman's "Aid in coordination." (10) Competition, comparable to Newman's "Facilitate control." (11) Job interest, slightly comparable to Newman's informal groups in "recognition of local conditions."

Dale lists non-economic factors as autonomy, i.e. establishing a special division to look after special interests such as community relations, stockholder relations and so forth; arouse attention, i.e. bond drives, salary evaluation, defense work, etc.; or create a division or spot for a particular man, i.e. Honorary Chairman of the Board in order to retain his services on retirement; personal interests or hobbies of the Chief Executive, and preconceived ideas all may have a bearing on the structure as developed. The emphasis must be, however, on the economic criteria.

Petersen and Flownman in their Business Organization and Management discuss similarity and association as a basis for departmentation.<sup>1</sup> Under similarity they list "likeness" which is more adaptable to smaller organizations and pertains more to personnel characteristics such as laborers combined to form a labor pool, etc. Also, listed under similarity is

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<sup>1</sup> Petersen and Flownman, op. cit., Chapter 9, pp 230-248.



"unity of purpose," i.e. all processes pertaining directly to selling are grouped into a sales department. Also, as inconsistent as it may seem "unlikeness" is listed under the discussion on similarity. This is the same as the complementary nature of work mentioned by Dale above. As an example, it may be desirable to combine tasks which, individually, are unlike but with respect to their relationships they are more like each other than are any other tasks in the business. The buying and selling functions in department stores would be a classic example; their successful performance may rightly be joined in one department under one head because goods which are not properly bought may be difficult to sell.

Under association Petersen and Plowman list several criteria. First, the criterion of use -- it is usually considered proper to place a given activity in that department which makes the most use of it. Space assignment, traffic, and safety work are examples cited. Second, the criterion of executive interest -- this is very similar to specialization as developed by Newman. The executive will generally be most effective in the function with which he is most familiar. Hence, he should be in that department where his special abilities will be most suitable and opportunities are available for further development of his specialized capabilities. Third, the criterion of competition -- this is, in many aspects, similar to the coordination factor mentioned by Newman. The best example is the General Motors Corporation. Their different



author seem to compete with each other but the total sales go into a consolidated operating statement. Fourth, the criterion of suppressed competition -- rivalry may not be desirable so activities are grouped within one department to prevent sharp lines of cleavage between them. Fifth, the criterion of policy control -- the examples cited here are rather obvious, it is a checks and balances sort of procedure, i.e. inspectors should never be subordinate to the people they inspect; an auditor should not be an employee of the accounting department which he is retained to check; credits and collections should not be under the sales department, etc. Sixth, the "clean-break" criterion -- this is discussed from both the positive and negative sides with the emphasis on the negative side. In other words, ease in departmentation is obviously enhanced whenever it is clear that a distinct cleavage between functions exists and that their allocation in different departments can be justified; but, there are instances where considerations of good management require that dissimilar activities remain associated because a "clean-break" between them is impossible if adequate responsibility and orderly performance are to be maintained. Petersen and Plowman under this criterion place emphasis upon the importance of the close association of functions to the point of inseparability under certain circumstances.

Seventh, the criterion of separation -- this is in contrast to the "clean-break" criterion. This is another checks and balances device, namely, that two activities should



not be **associated** when the task of one is to check the **other**. Eighth, the criterion of coordination -- this acquires emphasis at every point in the chain of executive activity. The coordination aspects of any size enterprise are those which make an integrated whole out of a collection of differentiated parts.

One will note from a perusal of the three references cited that there is a wide area of general agreement on these "basic" factors in determining the departmentation of an enterprise. In my own opinion, another factor not mentioned specifically by either of the three "authorities" in their discussion of departmentation but which has some significance in its impact on departmentation is line and staff relationships. It would, I believe, be worthwhile to present briefly the salient features of line and staff concepts. An understanding of these **may** materially aid the executive or management in determining the proper location within the enterprise for a particular activity.

The following discussion on line and staff relationships is quoted in its entirety from Chapter IV, Volume One of The Emergency Management of the National Economy as prepared by the Industrial College of the Armed Forces. This information is found on pages 72, 73, 74, and 75. It is believed to be quite clear and concise.

#### A. LINE FUNCTIONS

In designing the structure of the organization,



the first step is a distribution of responsibility in the form of an organization. A simple and valid rule for this distribution is that of Hopf, "Divide into the minimum number of distinct and dissimilar entities." Mooney and Reiley provide a fundamental and universally applicable guide for determining the minimum number of dissimilar entities when they say, "There is no conceivable duty, function, or individual job of any kind that does not involve one of three things: the determination of something to be done, the doing of that something, the decision on questions that may arise in the course of the doing in conformity with predetermined rules and practice." In further discussion of this basic principle of functionalism, the same authors refer to the three functions as the determinative, the applicative, and the interpretative.

The inescapable truth of this theorem can be shown by a few simple examples. You who read this book (1) determined to do so, (2) are now applying yourself to it, and (3) are making interpretations and decisions as to its meaning and applicability while you read it. At the opposite extreme in magnitude and complexity, the Government of the United States has (1) a legislative branch, which determines the laws under which Government must operate in the attainment of the objectives set forth in the Constitution, (2) an executive branch, which applies the law, and (3) a judicial branch, which interprets the law.

In the top levels of a business organization the determinative function is performed by a chief administrative officer or committee, the applicative by the chief executive officer, the interpretative by the board of directors, who also act in a determinative staff capacity. The principle of division, so clearly expressed by Mooney and Reiley, is equally applicable in the separation of functions at every level of the business organization. For example, the three primary or line functions responsible to the chief executive may be and usually are (1) the preparation, buying, or engineering of the product or the planning of the services rendered by the enterprise; (2) the conversion of the product or service into a form which is attractive to the potential customer; (3) the selling of the product or service to the customer. No businessman will question the interpretative authority of the customer, in this case the sales organization is the



**interpretative** and **applicative** to the customer.

For all a business organization, the quality and sales interpretation for the existing things and its interpretations as to the quality and value of the service rendered by the organization. These interpretations are usually expressed in the simple form of orders received and prices paid.

The three primary functions are found in some form, not only in the major divisions responsible to the chief executive, but in all other levels. For example, engineering may be divided into (1) research and development for determining the character of the product, (2) product design for applying the research and development to existing products and the design of new products, (3) laboratory and field testing for interpreting the results of research, development, and design. Similarly, in manufacturing, the industrial engineers, manufacturing engineers, tool designers, and production control department determine how, when, and where to perform the manufacturing operations; the shop management, on its part, applies all this knowledge to the manufacturing of the product; and the inspection and quality control department interprets the results. In sales, market research is determinative, the sales force is applicative, and the field service organization is interpretative. One may perform two or all of these functions, in any case each function is present. The foreman, for example, may be provided with all of the tools, material, schedules, and men necessary for the performance of his department; he must additionally determine that every essential is available, direct the application of the personnel and facilities to the work, and interpret whether or not the work is being properly and efficiently done.

## B. STAFF FUNCTIONS

In addition to the three primary or line functions, every business organization requires the performance of various auxiliary or staff functions. Mooney and Keiley describe staff service as having three phases: the informative, the advisory, and the supervisory. In this connection they use the word supervisory, not in the sense of exercising authority, but in the sense of acting on behalf of authority to see that the information and advice approved by them is disseminated and becomes operative throughout the organization. In a business enterprise, any function not directly concerned with the execution



of the primary operations of creating, converting, and selling or distributing the product or service is a staff function.

Mooney and Reiley also say, "It is the function of the staff merely to counsel; that of the line, and the line only, to command....The line represents the authority of man; the staff, the authority of ideas....It's (the staff's) function is to be informative and advisory with respect to both plans and their execution. This is implicit in the meaning of the word, 'staff', which is something to support or lean upon but without authority to decide or initiate." In the quoted phrases Mooney and Reiley are referring to the relations between line and staff; each staff unit must, of course, have scalar delegation and authority within the unit.

The same authors point out that the centuries of experience of the Roman Catholic Church has led to a line and staff relationship by which, in many cases, it is (1) compulsory for the line to ask the counsel of the staff, and (2) obligatory upon the staff to see that their advice reaches the line executives. Further, to insure that these precepts are followed, the members of the staff are appointed in such manner as to assure independence and thereby guard against their domination by those whom they advise. As Mooney and Reiley say, "The weakness of many forms of staff service is that the counselor is dependent on the man whom he counsels, and hence is subject to the danger of sinking to the level of a 'yes man'."

A major staff function in business is that which is concerned with financing and accounting, i.e., the functions ordinarily delegated to the treasurer and controller, and frequently grouped under a single head. This function provides the board of directors, the top administration, with informative, advisory, and supervisory assistance as to the acquisition and use of funds; the financial status of the business, the profitability of the operation, and the standardization of its financial accounts and controls. The term controller does not imply that the official who holds that title exercises control over the operations of the enterprise; it does mean that he provides certain informative, advisory, and supervisory service to aid the line executives in exercising control.

Industrial relations is a staff function which has become increasingly important as business enter-



The staff organization is largely centralized. It is common for it to include the fact that in any of the large enterprises the industrial relations director is a vice-president responsible to the chief executive of the enterprise. Other important staff functions are public relations, legal counsel, advertising, purchasing, traffic, statistics, and economics. In a centralized single unit enterprise, the staff functions are usually distributed to the responsibilities of the chief administrative officer, the chief executive officer, the managers of the three primary line divisions, and the treasurer.

Newman<sup>1</sup> states "that staff work consists of helping an executive plan and/or supervise the activity of others. It is work the executive would do himself if he had the time and the specialized knowledge. The work is typically performed in behalf of the executive, and in a sense the staff assistants act as an extension of the executive's personality....In actual practice a single staff assistant is not expected to perform all of the phases of the executive duties; he may be concerned primarily with assistance on planning or with assistance on supervision, or if the assistant is relatively inexperienced his work may be confined to only certain aspects of these functions. Moreover, the typical staff man will concentrate on only a limited number of subject fields....the use of staff is desirable when:

1. The duties of an executive exceed his capacity to fulfill them well, either because he lacks the necessary time and energy, or because they require specialized knowledge that he does not possess; or
2. It is not feasible to relieve this load by

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<sup>1</sup>Newman, op. cit., Chapter 11, pp. 131-136.



delegation to staff or personnel because (a) uniformity or coordination of action in several operating units is particularly important, (b) economy or effectiveness can be increased by assigning the work to a specialist, or (c) operating subordinates lack the capacity (time or ability) to do more of their own planning or to work effectively with less supervision."

It is believed that the importance of an understanding of line and staff relationships as an aid in the determination of proper departmentation of an enterprise is evident to the reader. Hence, the next chapter will cover the principles of organization.



## CHAPTER III

### PRINCIPLES OF ORGANIZATION

In presenting the following material on principles of organization it is appropriate, at the outset, to establish, if possible, some distinctions between these so-called principles and the basic factors of departmentation mentioned in Chapter II. There are some overlapping aspects in the relationships of factors and principles. For instance, the economic factor, as one of the three main factors mentioned by Dale, does, when considered for the total organization or enterprise depend upon several of the principles shown below. It is of paramount concern to any enterprise to fulfill the objective in the most efficient manner. In my opinion, a consideration of factors is slightly less comprehensive than a consideration of principles and additional thought along slightly different lines must be applied in evolving the best overall organization. Thought must be given to each and care exercised to see that the adjustments or compromises which may be essential between the two are made in the manner that will develop an organization equal to the definition as established in Chapter I. Stated in question form this would be: "What combination or combinations for the enterprise as a whole will accomplish the objective in the most efficient manner?" This involves more than the single consideration of departmentation as developed in Chapter II. There are many



other organizations such as, delegation of either authority or responsibility or both; staff assistants or staff specialists; decentralization as distinguished from departmentation which is essentially the division of work; and accountability, and so forth.

A good distinction between techniques, criteria or rules, as mentioned in Chapter II, and principles to be listed later in this Chapter may be found in Chapter III of Petersen And Plowman's Business Organization and Management.<sup>1</sup>

It is recognized that a "principle" is a comprehensive law or doctrine from which others are derived or upon which others are based. It emphasizes the idea of a basal truth, unvarying and general in its application to the subject under consideration. It is recognized further that principles are often confused with techniques, criteria, and rules in an attempt to reduce human associations to formulas in order that such phenomena may be dignified as a science. The difference between principles and rules is the difference between the permanent and the transient, between sources and derivatives, or between motives and performance. Being general in their application, principles are the foundation upon which rules -- specific in their direction and purpose -- are established.

Many authors in the field of organization list several principles, generally eight to ten in number, which should be considered in developing the organizational structure. A representative listing of some of these is given below.

"The Ten Commandments of Good Organization," as issued by the American Management Association are:<sup>2</sup>

1. Definite and clear-cut responsibilities should be assigned to each executive.

<sup>1</sup> Petersen and Plowman, Business Organization and Management, 1941.

<sup>2</sup> Hale, Business Organization, p. 175.



2. Responsibility should always be coupled with corresponding authority.
3. No change should be made in the scope or responsibilities of a position without a definite understanding to that effect on the part of all persons concerned.
4. No executive or employee, occupying a single position in the organization, should be subject to definite orders from more than one source. (This should not interfere with functional direction exercised by staff specialist departments, such as accounting, personnel, purchasing.)
5. Orders should never be given to subordinates over the head of a responsible executive.
6. Criticisms of subordinates should, whenever possible, be made privately, and in no case should a subordinate be criticized in the presence of executives or employees of equal or lower rank.
7. No dispute or difference between executives or employees as to authority or responsibilities should be considered too trivial for prompt and careful adjudication.
8. Promotions, wage changes, and disciplinary action should always be approved by the executive immediately superior to the one directly responsible.
9. No executive or employee should ever be required, or expected, to be at the same time an assistant to, and critic of, another.
10. Any executive whose work is subject to regular inspection, should, whenever practicable, be given the assistance and facilities necessary to enable him to maintain an independent check of the quality of his work.

A study of the above "Commandments" indicates that some of them are for application after an enterprise has been initially organized. We are concerned here with the principles which may be guides for initial organization or reorganization. The American Management Association conducted a survey which



indicated that there are nine "principles" which should be or are most frequently used in the organizational process.<sup>1</sup>

1. Effectiveness - ... effectiveness refers to the accomplishment of the purpose of the enterprise; It is therefore of a social and non-personal nature. It is designed to serve as a broad yardstick of the economic performance of the enterprise....
2. Efficiency -- Efficiency requires the fulfillment of the personal and individual objectives of those who are connected with the enterprise.... Clearly, proper attention to the organization structure is essential to the fulfillment of the personal and individual objectives of all who are concerned with the enterprise. In the case of executives, for example, a proper organization structure means clear-cut lines of authority and responsibility, participation in policy making, the right to be heard, the opportunity to develop to the full measure of their potentialities, and other conditions which contribute directly to their personal satisfaction as well as their individual effectiveness....
3. Division of Work -- ...The nature and number of the basic functions is determined by their relative importance in contributing directly to the purpose of the enterprise....
4. Functional Definition with Authority and Responsibility -- The functions or job contents necessary to reach objectives must be defined....two precepts: (1) "Define duties clearly." (2) "The work of each man in the management should be confined to the performance of a single leading function."
5. The Chain of Command -- ...the chain of superiors ranging from the ultimate authority to the lowest ranks. The line of authority is the route followed - via every link in the chain - by all communications which start from or go to the ultimate authority....
6. Channels of contact -- This permits subordinates to contact one another directly provided they keep their superiors informed and their actions are approved by their immediate superiors.
7. Balance -- special task of continuous reorgan-



ization is to see that the units of the organization are kept in balance - that there is a reasonable relative apportionment of strength among its departments."... Balance requires the proper proportions between centralization and decentralization and flexibility....

8. Control -- The principle of control involves (a) Comparison... (b) Information... (c) Integrity of Command... (d) Uniformity... (e) The Exception Principle... (f) Utility... (g) Avoidance of "Red Tape"....
9. Perpetuation -- "The plan of organization should provide a 'ladder' of positions of increasing scope of responsibility, authority, and accountability so related to each other that at all times there are replacements in training for each higher position...."

Petersen and Plowman list a number of the principles, probably the most important of these are the following:<sup>1</sup>

The Principle of Authority -- Authority is inherent in leadership.... The dictionary definition of "authority" is "rightful power in virtue of office or trust."

The Principle of Responsibility -- "Responsibility" may be defined as "the obligation and the duty of compliance and obedience." Embodied in this definition there are logically two main considerations: (1) the demands to which compliance is required, and (2) the persons to whom obedience is due....

The Principle of Accountability -- ... By assuming the rights and powers which are vested in him by virtue of his status, each executive receives, in fact, an impact of responsibility which he can transmit neither up to superiors nor down to subordinates... as authority flows down from a superior to a subordinate on the scalar levels of management, accountability flows up responsively in proportion to the responsibility created by the delegated authority.... By "accountability" is meant "liability for a reckoning of the responsibilities which are received by delegation of authority and accepted by status or office." Such a reckoning may involve a statement of the reasons, causes, or grounds which constitute an explanation or justification of an

<sup>1</sup>Petersen and Plowman, op cit., Chapters 3 & 4.



act, event, or circumstance. In short, to be accountable is to be answerable for one's conduct in respect to obligations fulfilled or unfulfilled.... as a principle of organization or management, accountability appears in two forms: not only is an executive answerable for something, but he is also answerable to somebody. He is answerable for his own acts as an individual who is occupying an executive position, and he is also answerable for the entire unit of the organization under his supervision. Such accountability emphasizes the importance of the managerial function of leadership from the base to the apex of the executive pyramid.

The Span of Control -- The span of control, in a broad sense, has several elements. Its limits are determined by other "spans," such as the span of knowledge, the span of time, the span of energy, and the span of personality. In its narrower sense, the span of control refers to the maximum number of subordinates which may be placed under the jurisdiction of one executive who is immediately superior to them.

It is clear that these general principles as noted by Petersen and Plowman are very broad in scope and contain within each of them other principles which are mentioned by other authorities as separate principles. These authors expound the principles which are noted elsewhere (by these authors I refer to Petersen and Plowman) but the limitations of this report does not permit extensive elaboration thereon.

Newman<sup>1</sup> likewise mentions a number of broad, general principles, chief among which are:

1. Specific limits should be clear.
2. Avoid dual subordination.
3. Authority should equal responsibility.
4. Span of Supervision.
5. Use of Facilitating Units, and
6. Role of Staff.

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<sup>1</sup>Newman, op. cit., Part II, Chapters 8 to 17 inclusive



Twelve principles of organization which were prepared for the Army Service Forces during World War II and which have stood the test of real and hectic operations are listed below.<sup>1</sup> It is believed that these may be readily understood so remarks in elaboration thereon will be kept to a minimum.

Principle No. 1 - "Every necessary function involved in the mission and objectives of the organization is assigned to a unit of that organization."

Principle No. 2 - "The responsibilities assigned to the unit of an organization are specifically clear-cut and understood."

Principle No. 3 - "No function is assigned to more than one independent unit of an organization. Overlapping responsibility will cause confusion and delay."

Principle No. 4 - "Consistent methods of organizational structure should be applied at each level of the organization."

Principle No. 5 - "Each member of the organization from top to bottom knows --(a) To whom he reports; (b) who reports to him."

Principle No. 6 - "No member of an organization reports to more than one supervisor."

Principle No. 7 - "Responsibility for a function is matched by the authority necessary to perform that function."

Principle No. 8 - "Independent individuals or units reporting directly to a supervisor do not exceed the number which can be feasibly and effectively co-ordinated and directed."

Principle No. 9 - "Single of command is not violated by multiple units."

Principle No. 10 - "Autonomy of responsibility for action is centralized to the units and individuals responsible for actual performance of operations to the greatest extent possible, so long as such



(11)

decentralization does not hamper necessary control over policy or the standardization of procedures."

Principle No. 11 - "Senior officials should exercise control through attention to policy problems of exceptional importance rather than through review of routine actions of subordinates." -

Principle No. 12 - "Organization should never be permitted to grow so elaborate as to hinder work accomplishment."

As will be noted from a review of these principles in this chapter, there is an extensive area of unanimity among writers as to what constitutes good principles of organization. Likewise, nearly all writers agree that these principles apply differently to different situations at different times and places. No form of strict rigidity should be attached to these principles, but a knowledge of them will materially aid one to apply them with careful judgment.

Certain of these principles are as old as civilization itself. They evolved as a result of human associations. Some of them may even be observed in animal and insect communities. Ants, bees, and prairie dog colonies are instances where organization may attain reasonably complex proportions. The good principles of organization have survived turbulent times over a long span of history. The Bible furnishes many examples of a number of these principles. One specific instance will be cited which alone incorporates several of these principles.<sup>1</sup>

"Moses sat to judge the people; and the people stood about Moses from the morning unto the evening. And when Moses' father-in-law saw all that he did... he said unto him: "The thing that thou doest is not good. Thou wilt surely wear away, both thou and thi-



people with thee; for the thing is too heavy for thee - thou art not able to perform it thyself alone....Be thou for the people God-ward, and bring thou the causes unto God....thou shalt teach the statutes and the laws, and shalt show them the way wherein they must walk, and the work that they must do....provide out of all the people able men, such as fear God, men of truth, hating unjust gain; and place such over them, to be rulers of thousands, rulers of hundreds, rulers of fifties, and rulers of tens; and let them judge the people at all seasons....every small matter they shall judge themselves, but every great matter they shall bring unto thee....then thou shalt be able to endure, and all this people shall go to their place in peace."

So...Moses chose able men out of all Israel, and made them heads over the people, rulers of thousands, rulers of hundreds, rulers of fifties, and rulers of tens. And they judged the people at all seasons; the hard cases they brought before Moses, but every small matter they judged themselves.

One can easily see that decentralization of authority and responsibility, spans of supervision, time, energy, and attention, and avoidance of dual subordination are all involved in the above example. Moses found that organization was essential to the welfare of not only the "executives" but the people themselves. It is apparent that the problem of standing in line or milling about is nothing new and still remains an apt subject for the present-day organizational specialists.

Earlier in this chapter some mention of compromise between principles of organization and basic factors of departmentation was made. This compromise is inevitable if flexibility within an organization is to be retained. Organization involves people and the more people there are in an



enters in the organization, and of the relationships between these people, no certain compromises must be made as to particular relationships. In any semblance of ~~form~~<sup>ion</sup> and control is desired. "It should never be assumed that all of the principles of organization apply alike in all situations."<sup>1</sup>

As a final word in this chapter, it can not be emphasized too strongly that organizations should be reviewed continuously. Opportunities for changes which would result in improvement of the organization may present themselves in divers manners; and an alert management should be ready, willing, and able to exploit them, but mere changes for their own sake should never be made. A definite contribution toward better fulfillment of the overall objective must result.

<sup>1</sup> Managing Human Resources in the Hospital Economy, 1951, p. 50.



## APPENDIX I - SERVICES

As indicated in Chapter I, the organizational structure for a Fleet of Supply was presented as a "standard" as furnished by the Comptroller of the Marine Corps to the field supply activities. Certain aspects of that standard are beyond the scope of this report and are themselves of sufficient importance to warrant separate study. For example, the problems of centralization versus partial decentralization of certain "service" activities is a subject all its own. I am not aware of all the ramifications which may have been considered in developing the standard type. Nevertheless, for the purposes of this report there is presented comments and proposed changes relative to Appendix I as on form of application of the basic factors and principles of organization as developed in the preceding two chapters.

In my opinion, certain ambiguities are present in the functions as given for two sections in Appendix I which should be clarified to prevent any confusion resulting when functions of these sections are considered in conjunction with functions in certain other sections. The first of these noted is in the Space Control and Warehousing Section on page 5 of Appendix I. It is stated, "...the Space Control and Warehousing Section is responsible for the administration of the overall Joint Space Control and Warehousing Plan, the



coordination of the assignment of all space including office space, equipment, etc., and all matters pertaining to warehousing operations within the Depot." It is not clear whether this is a responsibility for administration (underlining supplied) of all matters or a responsibility for co-ordination of all matters. If it is responsibility for administration, this would, by the definition advanced in this report, include the management function; and there is the definite statement under the scope of the Supply Branch, page 6 of Appendix I, that the management of warehousing and storage facilities assigned is included in the operation of the Supply Branch. By implication, some very broad powers are reposed in the Space Control and Warehousing Section. If strictly applied, these powers could conceivably result in personnel of this section physically warehousing all property, exertion of much influence on "rockers" in other sections and the materials handling equipment operators of the Motor Pool Section, etc. It is possible that a great deal of friction would be generated between these sections if an over-zealous Officer in Charge of the Space Control and Warehousing Section were permitted to have fully all the authority and responsibility as stated. Several of the Principles of Organization are given in the preceding chapter might easily be violated. Many of the functions of this section are "staff" in character and a great deal of care must be exercised to avoid violation of command channels. I would suggest that the



(...)

Compatibility and incompatibility aspects of this section to be reduced, and additional emphasis to be given the "staff" functions.

The second instance noted is on page 6 of Appendix I under the Redistribution and Disposal Section where it is stated, "...although the facilities of the Procurement Section of the Fiscal Branch may be utilized for publishing sales catalogs, the Sales Officer will be personally (underlining supplied) responsible for .... conduct of sales." This is a clear-cut statement; however, it becomes somewhat "foggy" when it is considered in conjunction with the Procurement Section on page 8, Appendix I. There it is stated, "The Procurement Section may be assigned responsibility for the scheduling, cataloging, advertising and (underlining supplied) ultimate disposal by public sale..." These two statements are compatible only if the same officer is the Officer in Charge of both sections. This incompatibility may be easily corrected by rewording as follows "... and advertising for ultimate...."

There are four changes which could be made in the organization within the branches which would, I believe, enhance the efficiency of the Depot as a whole. The first two of these have the same general reasons so they will be discussed concurrently. These involve the Space Control and Warehousing, and the Freight Transportation Sections. I would transfer them from the Services Branch to the Supply Branch.



I would, as noted above, modify in certain aspects the functions of the Space Control and Warehousing Section; otherwise, I would not disturb the operations of either of these sections but allow them to function in similar manner as before except they report to a different "boss." It is recognized that these two sections are, in general, service functions. This, however, does not preclude this change when the scope of the Service and Supply Branches is modified accordingly. Service or auxiliary functions have considerably more possibilities for placement within an activity than have operating functions. I would estimate that at least 90% of all tonnage handled by the Freight Transportation Section results from Supply Branch operations, and about 55% of all space assigned is assigned to the Supply Branch. Hence, the most effective use criterion is a strong argument for this change. There are several other reasons which have considerable merit. These are, first, none of the Principles of Organization as advanced in Chapter III would be violated and it is possible that some principles could be enhanced by giving better balance and span of control between the Service and Supply Branches if those were the only changes. Second, many of the basic factors mentioned in Chapter II fit this situation like a glove; communication lines would be shortened, control would be facilitated, coordination would be aided due to the complementary nature of the functions within

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These sections and the Supply Branch, specifically, are certainly should not be harmed by this change, expenses might be reduced although the amount probably would not be very substantial. In any event, it is difficult to accept the idea that expenses would be increased. The Supply Branch is more nearly a pure "line" branch than any other branch in the Depot. The Freight Transportation Section functions, as outlined, are of a line nature; so, line and staff concepts should not be violated by this change.

The third change involves the Shop Section and the Redistribution and Disposal Section. In fulfilling the mission regarding field and depot maintenance, it is easily conceivable that Shop Section work would reach such magnitude as to warrant a Repair Branch. I would remove the Shop Section from the Supply Branch and organize a Repair Branch. The words "Shop Section" throughout the listing of functions in Appendix I would be replaced by "Repair Branch" in a coordinating aspect but the responsibilities for field and depot maintenance would rest within the Repair Branch. Further, I would transfer the Redistribution and Disposal Section to the Services Branch. In event of establishment of a Repair Branch, the excess, scrap, and salvage material would be generated principally in the technical supply sections, the Repair Branch, and the Maintenance and Utilities and Inorganic Supply Sections of the Services Branch. It is a little difficult to estimate the



relative amounts of between the Supply and Disposal sections, but it is reasonable to assume that there would be no such correspondence as was the case between the Freight, and Warehousing Sections and the Supply Branch. Hence, the most-use criterion is not as valid in this instance, but rather a common-use would prevail. Other reasons for this change would be a possible reduction in duplication by this common-use criteria, the "clean-break" criterion would apply in this case as the Disposal function is neither Supply nor Repair. It is also possible that certain local conditions of several part-time jobs could be consolidated into fewer full-time jobs. This would result in enhancement of the specialization capabilities of Disposal Section personnel and greater homogeneity should result. Finally, any dangers of dual subordination from part-time jobs in disposal activity by personnel of other sections would be removed and a more uniform policy would be developed.

The fourth change concerns the Machine Records Section of the Fiscal Branch. This section is concerned with all tabulating services and includes such services as, preparation of civilian pay rolls, i.e. pay checks, personnel accounting activities for all Marines in a fairly large geographical area, certain stock accounting for supply sections, etc. Hence, it is seen that their work is common to the Administrative, Supply and Fiscal Branches and could easily encompass the stock accounting for the Maintenance and Utilities and Organic



Supply Sections of the Services Branch. Therefore, it is believed that the reasons as outlined above for the Redistribution and Disposal Section are equally valid in this case with one additional reason which has much merit. Namely, the criterion of separation, or the checks and balances procedure, which would facilitate better control. The chances of collusion regarding fiscal matters would be greatly reduced by transferring this section from the Fiscal Branch. To place it in the Supply Branch might lead to collusion regarding stock accounting, or in the Administrative Branch to personnel accounting. Thus, it would appear that the Service's Branch is the logical one for this section.

Appendix III is a series of charts depicting an organization of a Depot of Supplies as developed in this report.



## TESTS OF PROPER ORGANIZATION

"Organization is a subject which needs to be treated not only with respect, because it is fundamental to company planning, but with realism, because it is of value only insofar as it is practical."<sup>1</sup> In determining practicality, there are a few tests which may be applied to see that the organization as developed is sound and workable. Unfortunately, these tests generally can not be made by a glance or study of an organizational chart. They usually require actual operations within the framework of the relationships depicted by organizational charts. There are certain advantages and limitations of organizational charts which should be briefly considered.

"Organization charts are merely recordings of decisions already reached. The chart is a technique of presentation.... Its construction forces the authors to clarify their ideas....it provides a bird's eye view of the general structure of work and work relationships in the company....It shows who supervises whom....It indicates some of the strength and weaknesses of a company's structure....a historical record of changes....a training device....a guide in planning for expansion, in considering proposed changes in reorganization, in making short and long run plans, in formulating the ideal plan.

"But in using the chart major shortcomings of the device must not be overlooked. An organizational chart shows merely formal relationships. It indicates what relationships are supposed to exist, and not necessarily the actual relationships.... a host of informal relationships may exist among executives... organization charts may impose an unnecessary rigidity....they are static, whereas the organizations

<sup>1</sup>Dale, or cit., p.13 (40)



they represent are ever-changing, and for this reason they may be quickly outdated unless they are regularly and frequently reviewed."<sup>1</sup>

Tests of proper organization should, for the most part, take the form of questions which Management asks itself. If the answers to these questions are favorable, the assumption is that the organization is good. A list of such questions might include the following:

1. Is morale good throughout the enterprise?
2. Are the overall objectives accomplished effectively?
3. How extensive are the coordinating problems of the executive?
4. How much time is required to introduce new ideas?
5. Do executives have sufficient time to devote to policies and control problems?
6. Where, in the Administrative heirarchy, are "routine" matters handled?
7. Does authority equal responsibility and are both clearly defined and understood?
8. Is communication throughout all levels of the enterprise easily accomplished?
9. Is group participation, in situations warranting it such as safety meetings, suggestion programs, etc., enthusiastic?
10. Is there a reserve potential for emergencies?
11. When reorganization occurs, is the performance of the tasks easier than before?

Many other questions may possibly be brought to mind by the reader. Efficiency has been mentioned numerous times within this report; therefore, before concluding this chapter and the report a brief discussion of efficiency is appropriate:

"There is widespread misunderstanding concerning the meaning of the term "efficiency" as used in business management. It is assumed, very often, that.....

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<sup>1</sup>Ibid., pp 147-148



efficiency should be noted. To be efficient is to do the job well. Such an interpretation of the term is too limited. Efficiency is the quality of effectiveness, soundness, and capability to produce. Efficiency is productivity.

Efficient operations of a business means efficient management and adequate performance of work.

Efficiency is a fundamental concept in the whole management process. A business is operating at its highest efficiency when it can produce goods or services of a desired quality in a required quantity within permissible limits of time, at the lowest cost consistent with its financial situation and obligations. Not only is this test the measure of efficiency with respect to productive processes, but it applies to every task that needs to be performed....The concept of efficiency is complex. In addition to cost, it includes the elements of quality, quantity, time, and method.... The false notion that efficient management can be measured alone by minimum cost probably stems in large part from the prominence that was some years ago accorded to so-called "scientific wage systems" promoted by self-styled "efficiency engineers".... Efficiency cannot be achieved by cutting costs and neglecting all other considerations. It can only be obtained by establishing a proper balance between the five elements of quality, quantity, time, method, and cost. Essentially, the acts of management issue from human effort in three ways. At one extreme there is maximum performance to which a person's strength and ability set limits beyond which he can not go. At the other extreme is minimum performance, which is the least a person can do if he does anything at all. In between is the optimum or most desirable worker performance. It is balanced performance in the sense that waste and loss are avoided whether in overdoing or underdoing. So when we speak of attaining or striving toward efficiency, it contemplates an optimum condition of cost as well as each of its other elements."<sup>1</sup>

Finally, in conclusion of this report, I previously mentioned **that** it was realized that there were no "pat" solutions or categorical answers as to which is the best organization. Efficiency, in the sense as noted above, should be the **goal**. "Perfect" organizations are non-



existent. Human beings are the "working force" of organizations and perfection can not be created out of imperfections. The practical and realistic organization should be the best for a given time and circumstance and management should constantly strive to develop and improve it. Many aspects of organization escape precise definition, but when properly used organization is a valuable tool of Management. It must never be permitted to become master of management. From personal experience, I am aware of the fact that existing organizational structure within a Depot of Supplies, as outlined in Appendix I, does, in general, work satisfactorily. Therefore, it has not been my intention to convey any stubbornness toward or quarrel with existing organizations, but rather to analyze the organization along lines which are quite generally recognized as being sound. All authorities advise a cautious approach on this subject, and past experiences furnish much of the subject matter on Organization.



## APPENDIX I

The information contained in this appendix is taken directly from an enclosure to a Commandant of the Marine Corps letter which was addressed to various field supply activities of the Marine Corps in the month of July, 1951. I have not quoted the entire letter in this appendix as certain paragraphs have little or no bearing on the specific subject matter of this report. These paragraphs pertained to instructions regarding format, deadlines, manner of construction of charts, etc.

In general, it is considered that the information as promulgated conforms to good principles of organization as mentioned by many authorities in the field of management and organization. A number of these principles have been cited in Chapter III of the report preceding this appendix.



## a. Installation

(1) The Depot Quartermaster is a direct representative of the Quartermaster General of the Marine Corps and is responsible for the operation of his installation in logistic support of the Marine Corps as prescribed in the assigned mission. As commanding general he is in military command of the depot.

(2) The Chief of Staff as the Assistant Depot Quartermaster is the direct representative of the Depot Quartermaster and coordinates the staff in maintaining the general efficiency and conduct of work in the activity. In the absence of the Depot Quartermaster, his duties will normally be performed by the Chief of Staff.

(3) The Planning Council will meet at periodic intervals as directed by the Depot Quartermaster and will be composed of the Depot Quartermaster, the Chief of Staff, Chiefs of Branches and such other subordinates as are deemed appropriate by the Depot Quartermaster. The Council will consider overall depot problems, policies and programs, and will make recommendations thereon.

## b. Application

.....(3) Officers in charge of branches or sections shall have the primary title of Chief of ----- Branch or Officer in Charge of ----- Section.....

(4) The Industrial Branch will be organized only when included in the mission of the Depot and with the approval of the Commandant of the Marine Corps.

(5) Additional Branches may be added when necessary and as directed by the Commandant of the Marine Corps, i.e., a combination of Supply Schools /activities of such proportion as to necessitate an Educational Center or Branch.

(6) Depot annexes will operate under command of the parent depot and will be organized on the same structural basis as a Depot of Supplies.

## 1. Administrative Branch.....

### a. Scope

The Administrative Branch performs all administrative type duties for the entire Depot. Such duties include, but



are not limited to the following: personnel administration, discipline, welfare, recreation, assignment, promotion and housing.

b. Military Personnel Section

The Military Personnel Section performs military administrative functions for military personnel and normally includes the Depot Adjutant.....etc. It maintains military records and reports, assigns personnel and is responsible for classified and unclassified files. It may include the Billeting Officer, where appropriate.

c. Industrial Relations Section

The Industrial Relations Section performs all functions regarding the recruitment, interview, placement, screening, training, reassignment, promotion, reduction and counseling of civilian personnel. It may supervise work performance of labor personnel, maintain time cards, prepare, maintain and certify civil payrolls, direct safety programs, and.... supervise all Industrial Relations as directed by higher authority.

d. Security Section

The Security Section has the responsibility for administration of the Military Guard and Civilian Guard Units under the direction of the Provost Marshal. It also provides for the Fire Protection and Fire Prevention Program of the Depot under the direction of the Depot Fire Marshal along with the supervision of the Fire Fighting organization of the installation.....

e. Medical Section

The Medical Section is responsible for the prevention and control of diseases, for conducting the industrial health program and for furnishing medical services to military personnel and authorized medical services for civilian personnel.

f. Dental Section

The Dental Section is responsible for rendering dental treatment to military personnel and the maintenance of dental facilities as required.

g. Communications Section

The Communications Section is responsible for the



receipt, proper delivery, and dispatching of all communications transmitted by the Military Communications System or via commercial wire or radio communications systems. It operates the telephone, teletype/telegraph and radio communications.....

#### h. Legal Section

The Legal Section performs all matters of military jurisprudence required by current regulations, and furnishes legal assistance as required.

#### i. The Depot Exchange Section

The Depot Exchange Section supervises and operates the exchange activities.

#### j. Special Services Section

The Special Services Section is responsible for the supervision of the recreation and athletic programs, including the coordination of the civilian employee morale and recreation programs.

### 1. Services Branch.....

#### a. Scope

The Services Branch has responsibility for providing common services of an operational nature in support of the Depot Mission. The Services Branch normally provides for reproduction and duplicating facilities, the operation of the general messes, bakery, issue and sales commissary, the maintenance of buildings and grounds, repair of collateral equipment, the operation of the Organic Supply Section, space control and warehousing, freight traffic operations, the motor pool, the coordinating of the Public Works Section and the supervision of any outlying areas.

#### b. Planning Section

The Planning Section is essentially an adjunct of the Office of the Chief of Services Branch. Under the direction of the Planning Council, it is responsible for the physical preparation of plans pertaining to the internal maintenance and operation of common services for the Depot. The plans may include emergency plans, such as earthquake, hurricane, disaster, etc.

#### c. Reproduction Section

The Reproduction Section is responsible for the



operation and supervision of reproduction services including printing and photographic reproduction.

d. Issue Commissary Section

The Issue Commissary Section normally will operate the Issue Commissary, Bakery, and Ice Cream Plant.....

e. Food Service Section

The Food Service Section normally will operate the mess halls, central meat cutting plant, and central mess storerooms.....

f. Sales Commissary Section

The Sales Commissary Section is operated separately from the Issue Commissary and is not related in any respect to the Food Service Section.....

g. Maintenance and Utilities Section

The Maintenance and Utilities Section will be responsible for the maintenance of buildings, grounds and collateral equipment, including the Plant Account. It will provide and maintain utilities services concerning steam, electricity, water, heat and power plants and will supervise all engineering, building projects and performance of all alterations and constructions which do not fall within the purview of the Public Works Section.

h. Organic Supply Section

The Organic Supply Section is responsible for and maintains the "Depot in use account". It maintains the memorandum receipt accounts of the installation, provides clothing issues and makes authorized sales. It is accountable for all organic motor vehicles and materials handling equipment, and provides generally all housekeeping supplies and equipment for the operation of the installation.

i. Freight Transportation Section

The Freight Transportation Section is responsible for the receipt, checking and inspection (physical, not technical) of all incoming shipments and forwards this material to its proper destination. It collects material and arranges for shipments of outgoing material. It may pack, crate, and mark material for storage or shipment.

j. Motor Pool Section

The Motor Pool Section will be responsible for



operation, maintenance and dispatching of all organic motor transportation, including motorized materials handling equipment.

#### k. Space Control and Warehousing Section

The Space Control and Warehousing Section is responsible for the administration of the over-all Depot Space Control and Warehousing Plan, the coordination of the assignment of all space including office space, working space, etc., and all matters pertaining to warehousing operations within the Depot. This Section coordinates the planning for, allocation, and employment of, both motorized and non-motorized materials handling equipment. It furnishes technical assistance on, and coordinates all matters pertaining to packing, packaging, crating and preservation operations throughout the Depot. This Section, in collaboration with various sections within the Depot, initiates and administers training programs for the warehousing forces within the Depot, including the operators of materials handling equipment. It promulgates approved warehousing policies and techniques, and supervises their application in general. It also supervises the preparation of planographs, installation of warehouse markings and coordinates matters pertaining to stock locator methods.

#### l. Public Works Section

The Public Works Section, under the Public Works Officer, is responsible for the administration of all public works projects and such other projects falling within his scope as may be assigned by the Depot Quartermaster.

#### m. Laundry Section

The Laundry Section is responsible for the operation of a Depot Laundry, which is maintained and operated exclusively for laundering Government articles and articles for enlisted personnel and officers, and their immediate families.

#### n. Outlying Areas

Any outlying areas requiring supervision by an officer in charge, because of physical location or mission, will be administered through the Chief of Services Branch.

### 1. Supply Branch.....

#### a. Scope

(1) The Supply Branch embraces the technical categories of supplies necessary for the logistic support of the Marine



Corps, including the supervision and operation of the Shop Section.

(2). The operation of the Supply Branch includes the receipt, storage, maintenance and issue of supplies and equipment consigned to the stocks of the Depot; the preparation for shipment of outgoing supplies; and the management of warehousing and storage facilities assigned. It is responsible for the maintenance of stock record accounts, stock status reporting requirements, stock locator records, and accomplishment of stock inventories.

b. Redistribution and Disposal Section

The Redistribution and Disposal Section has the responsibility of ascertaining that property reported excess by one activity of the depot is in fact excess to the needs of the depot as a whole and of disposing of excess property of the depot as directed by higher authority. The Redistribution and Disposal Section is responsible for the segregation and proper disposal of all salvage and scrap material. This Section also has the responsibility of disposing of surplus property of activities, other than the Depot, as directed by higher authority. The Officer in Charge of the Redistribution and Disposal Section will be designated as Sales Officer of the Depot and, although the facilities of the Procurement Section of the Fiscal Branch may be utilized for publishing sales catalogs, the Sales Officer will be personally responsible for the proper preparation, content and circulation of sales catalogs and conduct of sales. He will also be responsible for proper disposition of surplus property by donation, transfer, destruction, abandonment or other approved methods of disposition.

c. General Supply Section

The General Supply Section has the responsibility for procurement, receipt, storage and distribution of all classes of general supply property and equipment and may be assigned responsibilities for field and depot maintenance of general supply items in coordination with the Shop Section.

d. Electronics Supply Section

The Electronics Supply Section has the responsibility for procurement, receipt, storage and distribution of all classes of electronics supply property and equipment and may be assigned responsibilities for field and depot maintenance of electronics supply items in coordination with the Shop Section.

e. Engineer Supply Section



The Engineer Supply Section has the responsibility for procurement, receipt, storage and distribution of all classes of engineer supply property and equipment and may include assigned responsibilities for field and depot maintenance of engineer supply items in coordination with the Shop Section.

f. Ordnance Supply Section

The Ordnance Supply Section has the responsibility for procurement, receipt, storage and distribution of all classes of ordnance supply property and equipment and may include assigned responsibilities for field and depot maintenance of Ordnance supply items in coordination with the Shop Section.

g. Motor Transport Supply Section

The Motor Transport Supply Section has the responsibility for procurement, receipt, storage and distribution of all classes of motor transport supply property and equipment and may be assigned responsibilities for field and depot maintenance of motor transport supply items, including electronic vehicles, in coordination with the Shop Section.

h. Subsistence Supply Section

The Subsistence Supply Section has the responsibility for procurement, receipt, storage and distribution of all subsistence stores. It may include an "Overseas Exchange Unit" when authorized.

i. Shop Section

The Shop Section, in coordination with the appropriate supply section above, has responsibility for field and depot maintenance of all categories of supplies and equipment as provided in the assigned mission of the Depot.

l. Fiscal Branch.....

a: Scope

The Fiscal Branch is responsible for the following fiscal functions: disbursing accounting and machine accounting methods; procurement and disbursement, including pay rolls, public vouchers, travel; and audit of fiscal accounts.

b. Machine Records Section

The Machine Records Section performs all electric accounting machine functions to accomplish tabulating services as may be required or directed.



c. Accounting Methods Section

The Accounting Methods Section is responsible for the study, development, and implementation of approved accounting methods, including techniques of machine accounting, inventory methods and procedures, audit standards and other industrial and military accounting procedures.....

d. Disbursing Section

The Disbursing Section is responsible for the preparation, maintenance and audit of military pay records, the preparation and payment of military money lists; the audit and payment of civil pay rolls; the audit and payment of vouchers for supplies and services; the issuing of transportation requests, meal tickets, and cash advances; the payment of transportation expenses of military personnel and their dependents; receiving and accounting for Naval Working Fund deposits; the keeping of records; preparation of vouchers; reports, and returns, and correspondence pertaining to disbursing.

e. Procurement Section

The Procurement Section is responsible for the purchase of material and services, negotiation of contracts and other procurement and purchase functions relating to assigned procurement functions. The Procurement Section may be assigned responsibility for the scheduling, cataloging, advertising and ultimate disposal by public sale of all scrap, salvaged and surveyed material.

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## APPENDIX II

Acknowledgment for the material in this appendix was made in my preface to the preceding report. The information contained in this appendix is directly concerned with the basic subject of the preceding report, and is appended thereto without specific comments. The reader who is interested in the general subject of organization will, I believe, find the principles of organization as outlined in this appendix to be stimulating and thought provoking.





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## PRINCIPLES OF ORGANIZATION

The following information is taken from Organization of Industry by Alvin Brown, published in New York by Prentice-Hall, in 1947.

"Organization is the means to effective concerted human endeavor. Its principles are equally valid and useful in application to any kind of concerted human endeavor - government, church, industry, war, education, recreation (the list is not exhaustive)....

"This section lists the basic principles of organization....The words of the principles are used in the usual sense attributed to them by the dictionary....

### "Purpose.

"1. Organization is a means to more effective concerted endeavor.

### "Scope.

"2. Organization deals exclusively with individuals and their relations.

"3. Organized endeavor is no more than the sum of individual endeavors.

### "Procedence.

"4. Organization precedes endeavor.

"5. Organization precedes the selection of members of enterprise and determines the requirement thereof.

"6. Organization should determine the selection of personnel rather than personnel determine the nature of organization.

"7. The larger the enterprise, the less occasion is there for organization to be influenced by personnel.



"Responsibility."

"8. Responsibility inheres exclusively in individuals.

"9. Responsibility cannot be shared with another.

"10. The nature of a responsibility is not altered by change of the person who performs it.

"Delegation of responsibility."

"11. Each responsibility is created by delegation from one having a greater responsibility.

"12. Each responsibility is created by delegation from one having that responsibility.

"13. No member can delegate responsibility to another who already holds any part of that responsibility.

"14. A member does not, by delegation, divest himself of responsibility.

"15. Two members should not delegate responsibility to the same member.

"16. The inherent relationships of obligation and authority arise automatically from delegation of responsibility.

"Obligation."

"17. The acceptance of a responsibility creates an equivalent obligation for its performance.

"18. Obligation for the performance of a responsibility runs to the delegant of that responsibility and to no one else.

"19. The obligation for performance of a responsibility can be discharged only by the obligor.

"20. No member can divest himself of any part of the obligation for performance of his responsibility.

"21. The obligation for performance of a responsibility is not impaired by change in the definition of responsibility.

"22. The obligation for performance of a responsibility must be performed exactly as it is conceived by the delegant.

"23. If a deputy be unwilling, for whatever reason, to perform his obligation as conceived by his delegant, his only alternative is dissociation from his responsibility.



"Authority."

"24. In each responsibility is inherent an equivalent authority.

"25. Authority includes all means necessary and proper for the performance of responsibility.

"26. Toward a deputy, authority is the power to exact performance of his obligation.

"Supervision."

"27. The relationship between a delegant and his deputy arises from delegation and is inevitable in character.

"28. Supervision is limited to the scope of the delegated responsibility.

"29. The obligation for performance of a responsibility can be enforced only by the delegant of the responsibility.

"30. Supervision of a member of enterprise may be exercised by his delegant and by no one else.

"31. Supervision which a deputy is led to expect becomes a duty toward the deputy.

"32. It is the duty of a delegant to provide for the harmonious performance of responsibilities delegated by him.

"33. Enforcement of the relationships of organization is the highest, highest function of supervision.

"34. Supervision includes the power of removal and replacement of a deputy.

"35. If a delegant be prevented from replacing a deputy who defaults in performance of his obligation, the delegant is relieved of responsibility to the extent of such default.

"36. The amount of supervision varies with the extent and degree of delegated responsibility, the number of delegations, and the ability of deputies.

"Partition of responsibility."

"37. The criteria of partition of responsibility depend upon the requirements of administration.

"38. Duties of less import should be delegated and those of greater import reserved.

"39. Delegation of responsibility must be sufficient in extent and degree so that reserved responsibility will not exceed the capacity of the delegant.



"40. The number of delegations of responsibility possible by any member is limited by their nature and by his reserved responsibility.

"41. The delegations of responsibility made by any one member should be, so far as practicable, of equal administrative requirement.

"42. No responsibility should have to depend for effective performance upon another which may have a contrary interest.

"43. The cost of organization must be proportionate to the utility of the purpose.

"44. The number of stages of delegation of responsibility should be as few as practicable.

"Definition of responsibility.

"45. Responsibilities should be defined by identifying and then grouping the elements of administration.

"46. Definition of responsibility must be clear and precise.

"47. Responsibilities delegated and reserved must be mutually exclusive.

"48. Each responsibility should be as homogeneous as practicable.

"49. Each responsibility should be defined with regard to the natural abilities of men.

"50. Each responsibility should be so defined, if possible, as to permit ready enlistment of a person to perform it.

"51. No responsibility may exceed the capacity of the person who will perform it.

"52. Each responsibility should employ the full capacity of the person who will perform it.

"53. Definition of responsibility should deal with capacity quantitatively as well as qualitatively.

"Self-coordination.

"54. Each responsibility implies a duty of performance in conformity to the requirements of other responsibilities.

"55. Performance of responsibility requires knowledge of the nature of other responsibilities to the extent that they affect it or are affected by it.

"56. Each member has the right to make representation to another member concerning the effect of the manner of performance of the other's responsibility upon his own; and to such presentation a member must pay the heed that his responsibility requires.



"57. No member may refuse to perform any part of the responsibility of another.

"58. No member can excuse himself for inability to perform his responsibility unless he has made known to his delegate the cause of his inability.

"59. For failure in performance of another responsibility which affects his own, a member could have recourse to his delegate only when representation to the member having the other responsibility fails.

"60. Provision for the harmonious performance of responsibilities not delegated by the same member is the duty of the common delegate.

"61. The unusual case of concurrent responsibilities imposes a high requirement of self-coordination.

"62. A responsibility or liaison may aid self-coordination.

Continuity of responsibility.

"63. Responsibility requires continuing performance.

"64. One who becomes temporarily incapable of performing his responsibility should designate a temporary successor.

"65. One who delegates complete responsibility temporarily is not relieved of his obligation unless his absence be extended and beyond his control.

"66. One who delegates complete responsibility temporarily should honor the acts of his temporary successor performed in good faith.

"67. A temporary successor has a temporary complete delegation of responsibility; he owes the obligation for its performance to the delegate, but toward all others he acts in the delegate's stead.

"68. A temporary successor should perform his responsibility as nearly as possible as it would be performed by the delegate.

Groups. Responsibility is truly exercised by a group only when its decisions are made by regardance of the opinions of its members.

"69. A particular responsibility is better performed by one member than by two or more.

"71. Responsibility should be delegated to a group only if a clear demonstration that individual responsibility is undesirable.

"72. In a group exercising responsibility as such, it is the duty of each member to contribute to decision as he would if the responsibility were his alone.

Phases of organization.

"73. Organization must distinguish between planning, doing, and seeing, as phases of organization.



"74. Effective administration is usually served by delegation of the phases of administration in unequal proportion.

"75. Seeing usually invites delegation less than using; planning less than either.

"76. Organization must distinguish between the primary and the auxiliary objects of administration.

"First mode.

"77. Organization may consist in pure multiplication of effort, without difference in extent or degree of responsibility.

"Second mode.

"78. Responsibilities may differ in extent; this is the basic form of organization.

"Third mode.

"79. Responsibilities may be constituted for auxiliary objects of administration.

"Fourth mode.

"80. A portion of planning or seeing may be delegated to a member other than the one responsible for doing.

"81. Phases of administration should not be partitioned if simpler modes of organization will satisfy the requirements of administration.

"82. Planning and seeing, which are specialized in their nature are most apt for separate delegation.

"83. Planning and seeing should usually be separately delegated only when they relate to doing that is delegated to two or more members.

"84. Responsibilities for planning and seeing bear an especial duty to observe the relationships of responsibility.

"85. Delegation of general responsibility to an assistant, when there are also delegations of specific responsibilities, suffers the same disability as partition of the phases of administration.

"86. The less the extent and degree of a member's responsibility, the less will be his need for an assistant.

"87. So long as he does not substitute his judgment for that of his delegant, aid by an assistant in his delegant's exercise of supervision is not sharing or assumption of supervision.

"88. Although it is possible to delegate to one to deputize the power to supervise other duties of the same delegant, exercise of that power requires exceptional understanding of principle.



"90. A responsibility need not be exclusively of one mode of organization.

"Fifth mode.

"90. Multiple organization is the final resort of complex enterprise.

"91. There is a limit to differentiation of responsibility after which multiple organization must be employed.

"92. In multiple organization, each constituent enterprise is to be conceived as though it were an independent enterprise.

"93. It may be found desirable to render certain auxiliary services to all constituent enterprises.

"94. Administration of multiple enterprise may be assisted by delegations for planning and seeing.

"Practice.

"95. Organization must be a continuing concern of administration.

"96. Whereas organizational principle is a science, the practice of organization is an art."

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### APPENDIX III

This appendix contains a series of charts designed to show an organization of a Depot of Supplies as I have developed it in the preceding report. It will be noted that for ease of presentation that the Branches and Sections are listed alphabetically. No other significance should be attached to this listing as such arrangement does not necessarily indicate the importance to overall Depot functioning. It will be noted also that the chart for the Repair Branch is shown by "Shops" rather than "Sections." The reasons for this are mainly functional, i.e. the Welding Shop would perform all welding whether for an Engineer, Motor Transport or Ordnance piece of equipment. Also, the shops shown under the Repair Branch are a representative listing only and do not include several auxiliary units such as Tire, Battery, Sand-blasting, Steam Cleaning, Lubrication, etc.



Administrative  
COUNCIL

DEPT OF QUARTERMASTER

ADMINISTRATIVE  
ASSISTANT, ETC.

CHIEF OF STAFF

ADMINISTRATIVE  
BRANCH

FINANCIAL  
BRANCH

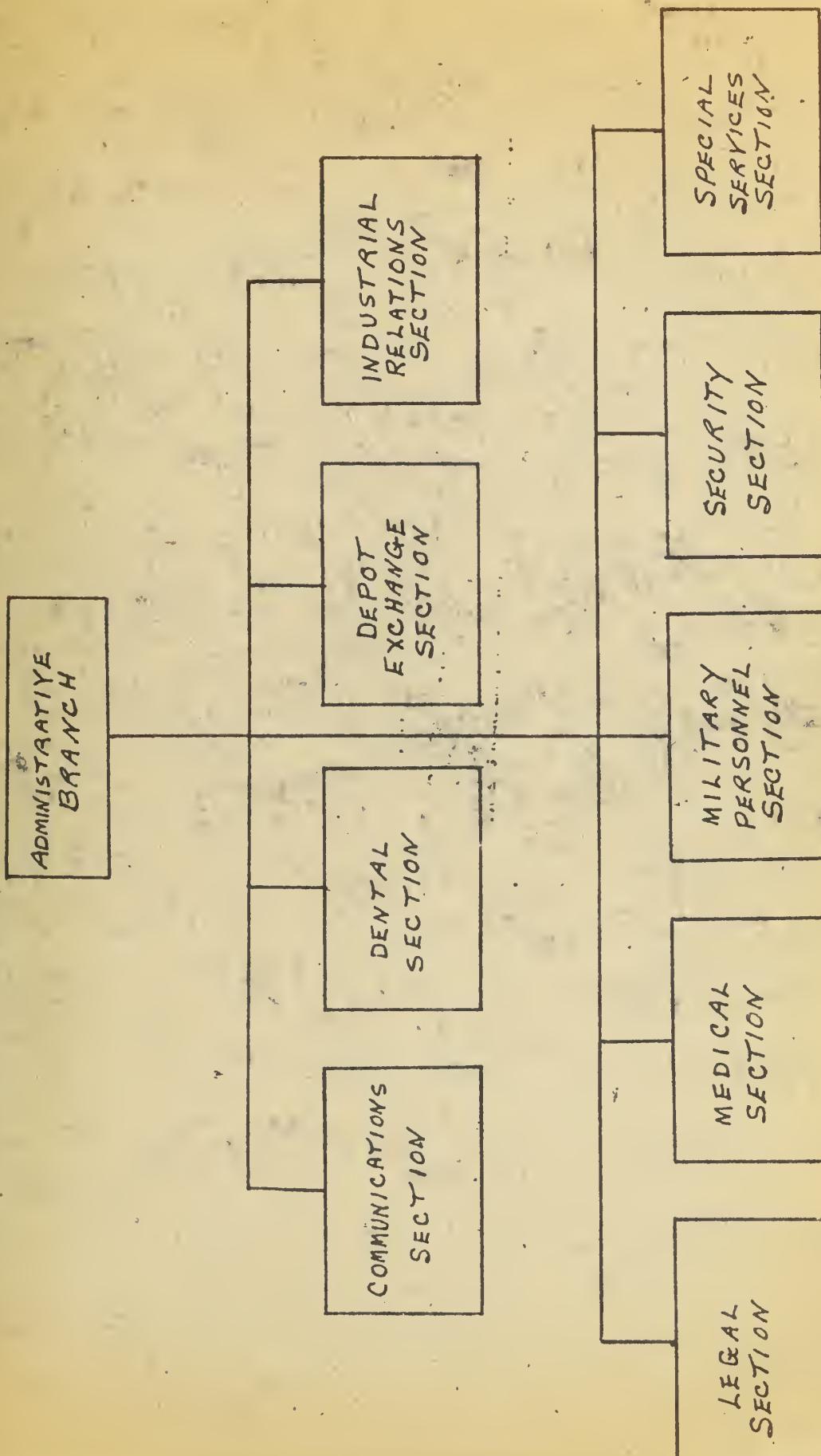
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BRANCH

SERVICES  
BRANCH

SUPPLY  
BRANCH

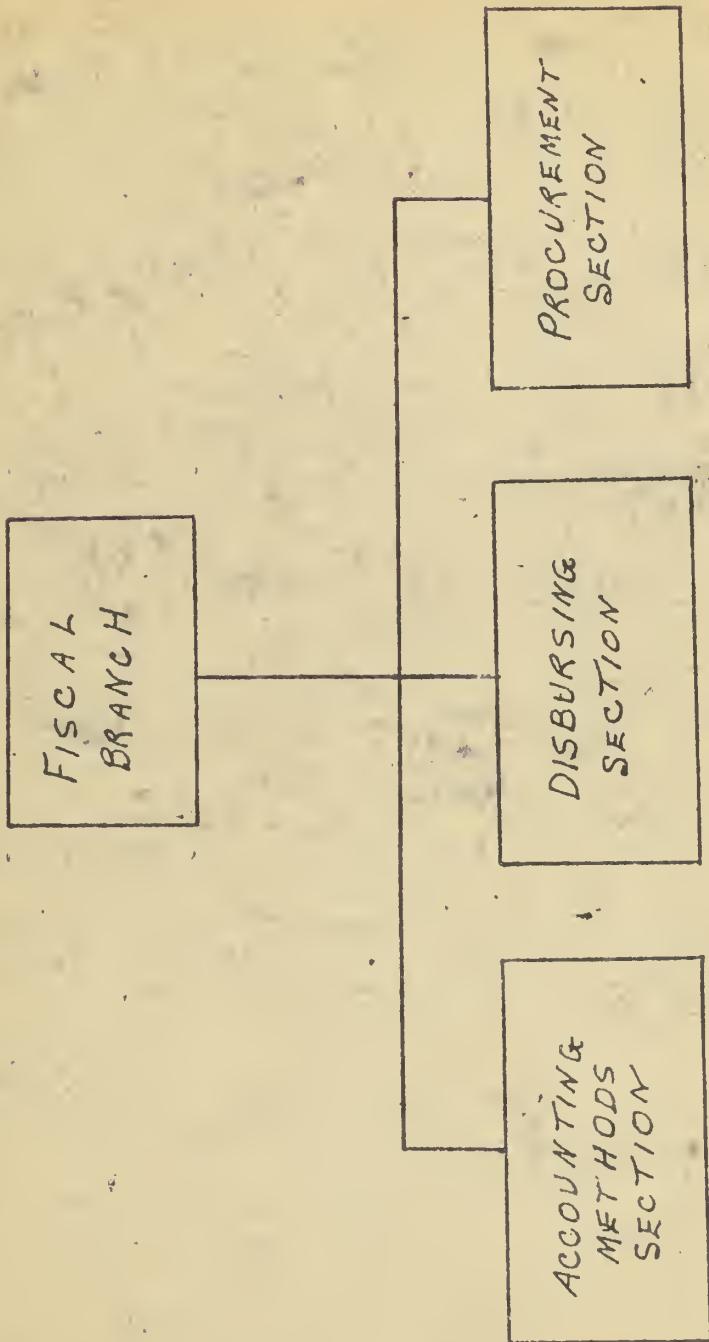
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SERVICES  
APPRECO-  
GIC







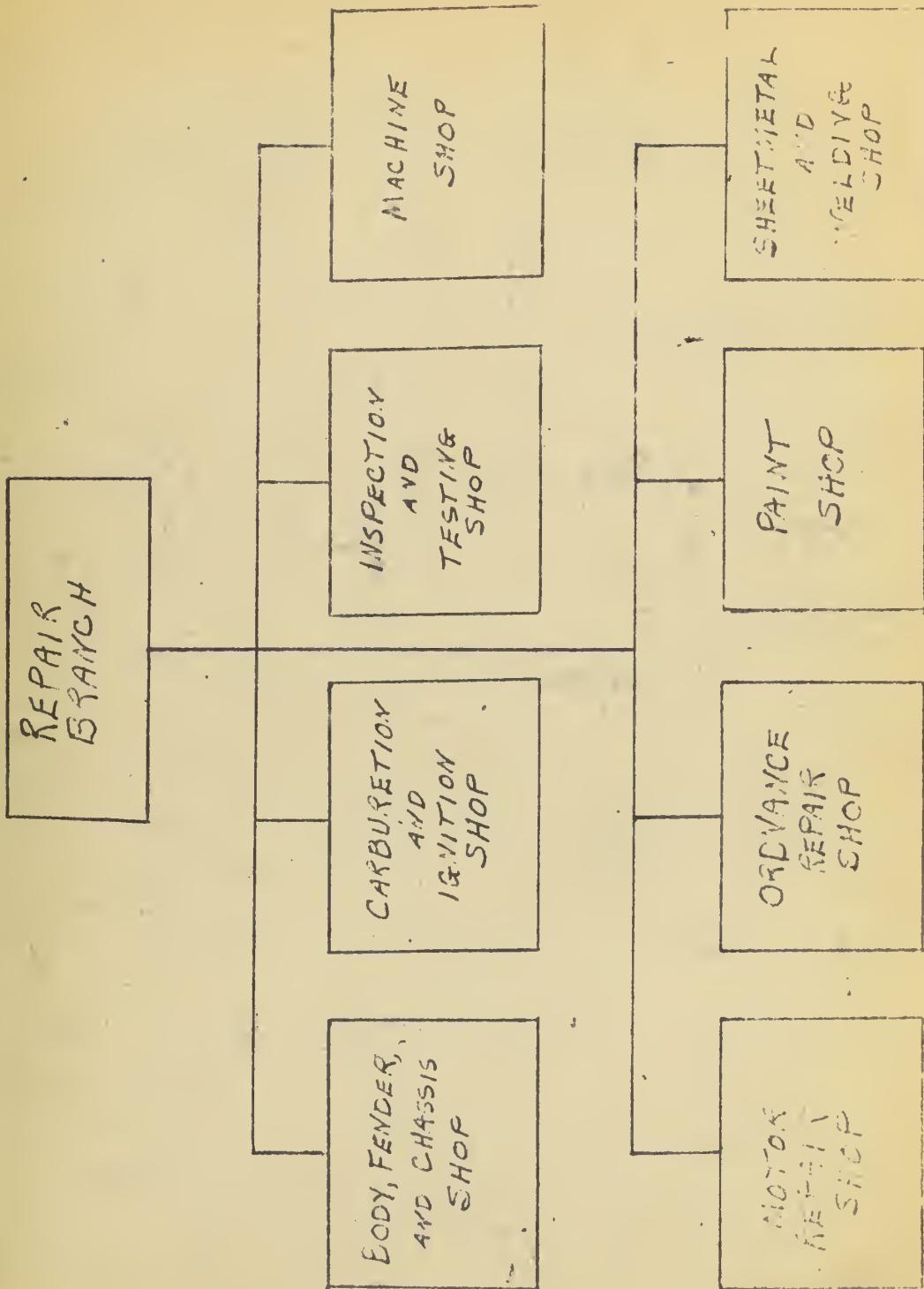
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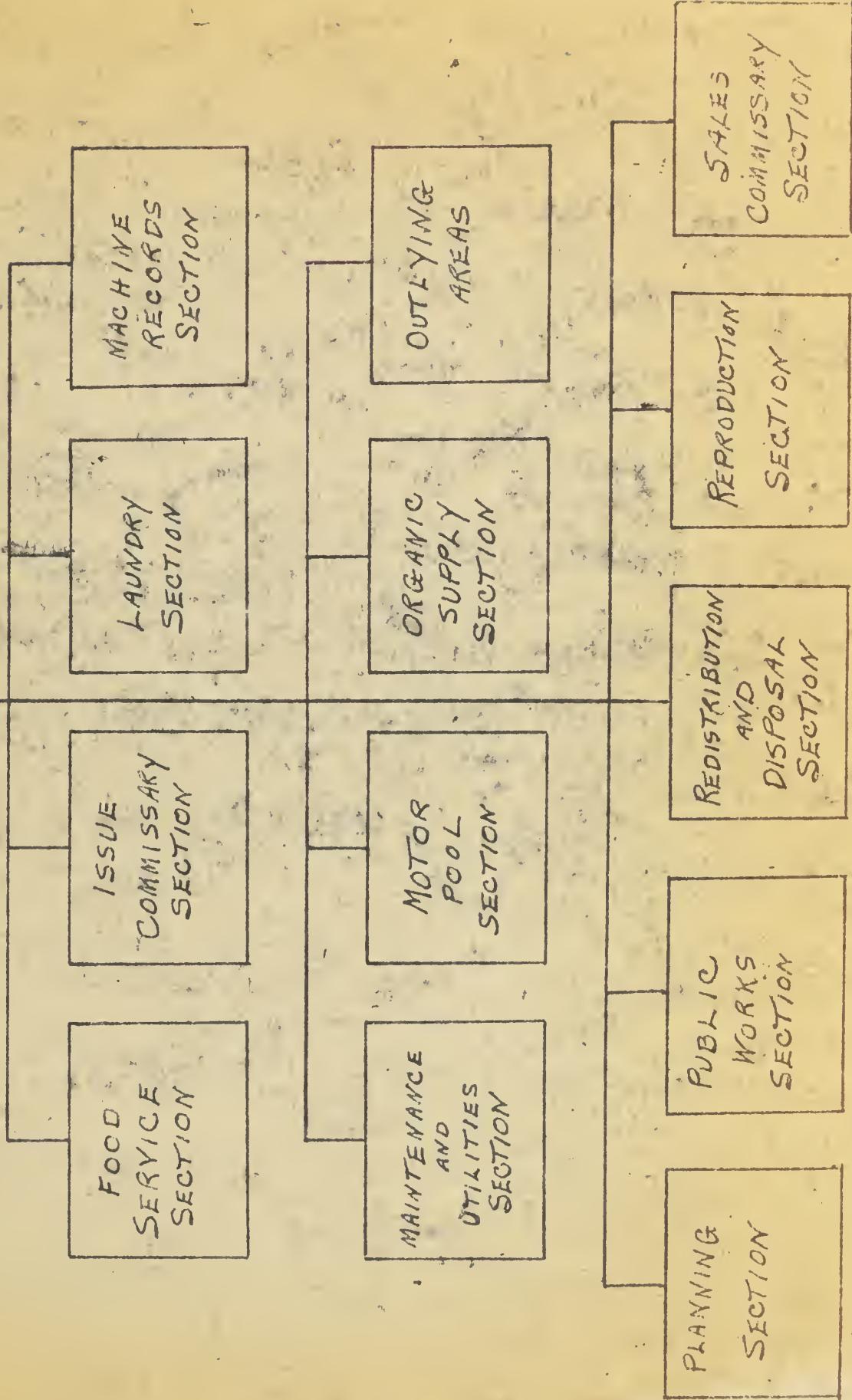
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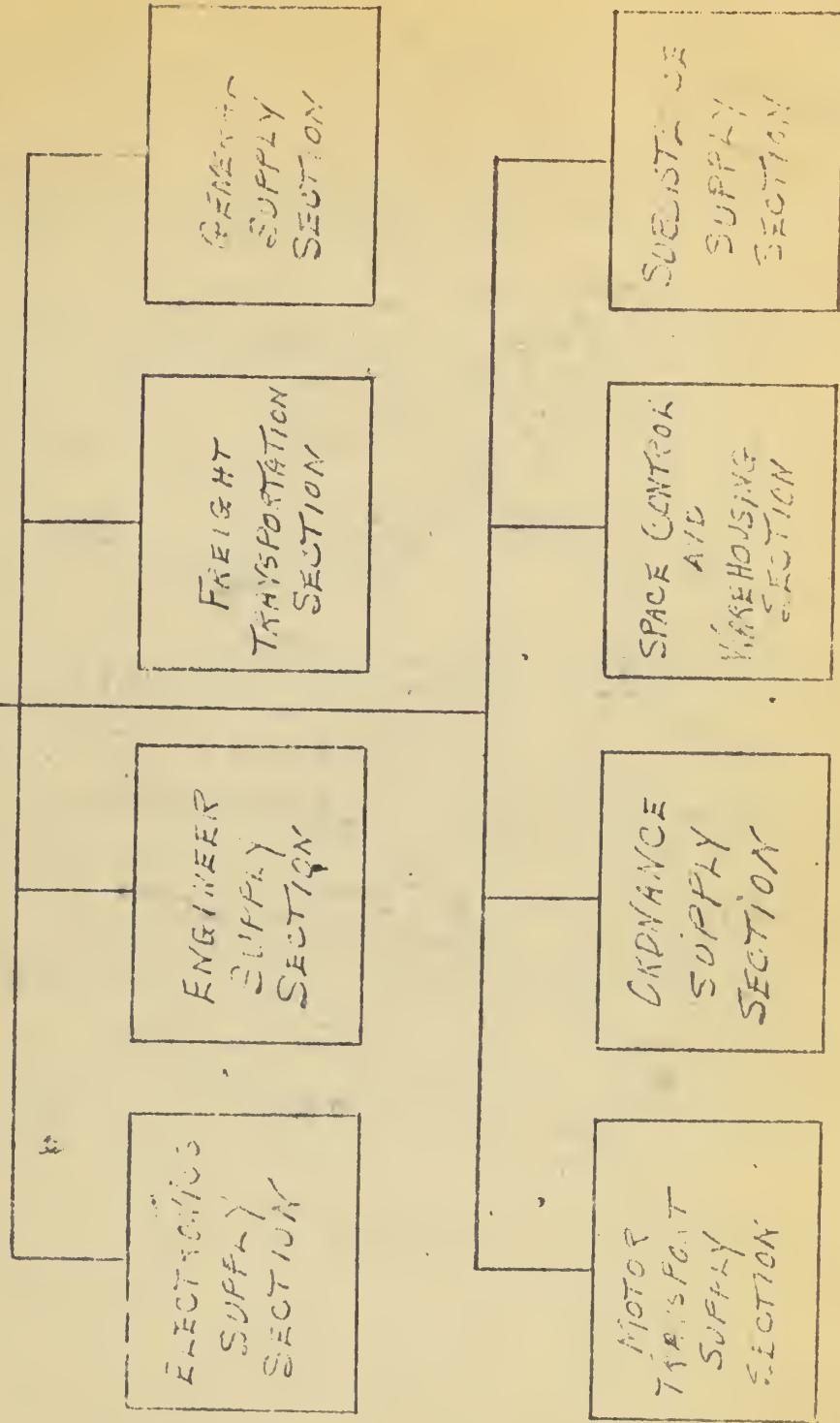
SERVICES  
BRANCH

(65)





SUPPLY  
BRANCH





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